

**CITY COUNCIL
ATLANTA, GEORGIA**

06- R -2045

A SUBSTITUTE RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ISSUE PAYMENT TO BANKS, FINLEY, WHITE & COMPANY PURSUANT TO THE TERMS OF THE AGREEMENT FOR FC-6005007976, ANNUAL CONTRACT FOR THE CITY OF ATLANTA AUDIT OF FINANCIAL STATEMENTS ON BEHALF OF THE DEPARTMENT OF FINANCE COSTS TO BE CHARGED TO AND PAID FROM FUND ACCOUNT AND CENTER NUMBERS 1A01 (GENERAL FUND) 524001 (CONSULTANT/ PROFESSIONAL SERVICES) T31001 (UNALLOCATED FUND- WIDE EXPENSES); AUTHORIZING THE DEPARTMENT OF FINANCE TO ANNUALLY APPROPRIATE THE REQUIRED FUNDS UNDER THE CONTRACT; AND FOR OTHER PURPOSES.

WHEREAS, under State law the City of Atlanta ("City") is required to have an external audit each year; and

WHEREAS, the City entered into an agreement with the certified public accountant firm of Banks, Finley, White & Company ("Banks") on January 23, 2006; and

WHEREAS, pursuant to the agreement Banks would audit the City's general purpose financial statements and related schedules for inclusion in the City's Comprehensive Annual Financial Report; and

WHEREAS, the agreement term is one (1) year, with three (3) one (1) year renewal options at the sole discretion of the City; and

WHEREAS, the Department of Finance desires to ensure that the Chief Financial Officer is authorized to remit payment for the audit of each Fiscal Year under the terms of the contract, FC-6005007976, Annual Contract for Audit of Financial Statements; and

WHEREAS, pursuant to the Cost Proposal outlined in "Exhibit D" of the agreement, the required funds shall be appropriated annually in the budget.

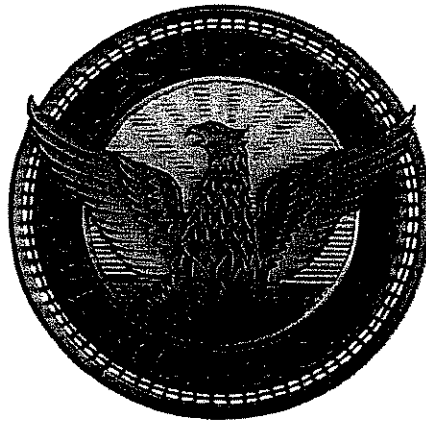
THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Chief Financial Officer is hereby authorized to remit payment for the audit of each Fiscal Year under the terms of the contract, FC-6005007976, Annual Contract for Audit of Financial Statements.

BE IT FURTHER RESOLVED, that the Department of Finance be directed to appropriate the funds outlined in the Cost Proposal outlined in "Exhibit D" of contract FC-6005007976, Annual Contract for Audit of Financial Statements.

BE IT FINALLY RESOLVED, that all contractual expenses shall be charged to and paid from Fund Account and Center number 1A01 (General Fund) 524001 (Consultant/ Professional Services) T31001 (Unallocated Fund-Wide Services).

**Offer and Schedule
Of Professional Fees
To Provide
Professional Accounting Services To**

CITY OF ATLANTA



Submitted by:

**BANKS, FINLEY, WHITE & CO.
3504 East Main Street
College Park, Georgia 30337
(404) 763-1002
Gregory C. Ellison, CPA, Partner
September 7, 2005**



September 7, 2005

Mr. Adam L. Smith, Esq.
Chief Procurement Officer
City of Atlanta, Georgia
55 Trinity Avenue, S.W., Suite 1790
Atlanta, Georgia 30303

RE: FC - 6005007976
Annual Audit for the City of Atlanta Audit of
Financial Statements
Offer and Schedule of Professional Fees

Dear Mr. Smith:

Banks, Finley, White & Co (BFW). is extremely pleased to submit this offer and schedule of professional fees to provide professional accounting services in connection with the audit of the City of Atlanta, Georgia (the "City") financial statements for the fiscal year ending December 31, 2005 with options for the six months ending June 30, 2006 and the fiscal years ending June 30, 2007 and 2008.

Our price proposal represents our desire to maintain our professional relationship with the City. The level of effort and related proposed fees, reflects our understanding of the City audit and a well thought-out audit plan with build-in efficiencies to get the job done. It does not anticipate learning time, add-on billings or extended services.

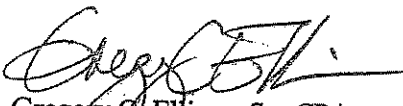
The proposed fee does not include the costs associated with additional effort pursuant to implementation of the Oracle financial system, anticipated to be live during fiscal year 2007. We will discuss with you and arrive at the additional level of effort and associated fee relative to that effort prior to the fiscal year 2007 audit.

The proposed fee is based on anticipated cooperation from City personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We look forward to the opportunity to discuss the specifics of our price proposal and the opportunity to be of service to the City of Atlanta. Mr. Gregory C. Ellison is authorized to negotiate and sign contracts on behalf of the Firm. Should you have any questions, please do not hesitate to contact him at (404) 763-1002.

Respectfully submitted,

BANKS, FINLEY, WHITE & CO.



Gregory C. Ellison, Sr., CPA
Resident Partner



CITY OF ATLANTA PRICE PROPOSAL

An analysis of proposed audit fees by engagement team member is as follows:

Fiscal year ending December 31, 2005:

<u>Personnel Category</u>	<u>Number of Hours</u>	<u>Amount</u>
Partners	418	\$115,000
Manager	923	180,000
Senior	2,214	310,000
Staff	<u>1,478</u>	<u>170,000</u>
Totals	<u>5,033</u>	<u>\$775,000</u>

Six months ended June 30, 2006:

Total	<u>\$815,000</u>
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Fiscal year ended June 30, 2007:

Total	<u>\$855,000</u>
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Fiscal year ended June 30, 2008:

Total	<u>\$900,000</u>
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Our hourly rates for each level of engagement team member for any additional work to be performed during the fiscal year 2005 engagement are as follows:

Partner	\$ 275
Manager	\$195
Senior	\$140
Staff	\$115
Clerical	\$ 75

The above hourly rates would increase annually based on an agreed upon annual inflation rate.

**Technical Proposal
To Provide
Professional Accounting Services To**

CITY OF ATLANTA



Submitted by:

BANKS, FINLEY, WHITE & CO.

3504 East Main Street

College Park, Georgia 30337

(404) 763-1002

Gregory C. Ellison, CPA, Partner

September 7, 2005

CITY OF ATLANTA, GEORGIA

**Technical Proposal
to Provide Audit of
Financial Statements**

Submitted by:

BANKS, FINLEY, WHITE & CO.

3504 East Main Street

College Park, Georgia 30337

(404) 763-1002

Gregory C. Ellison, CPA, Resident Partner

September 7, 2005

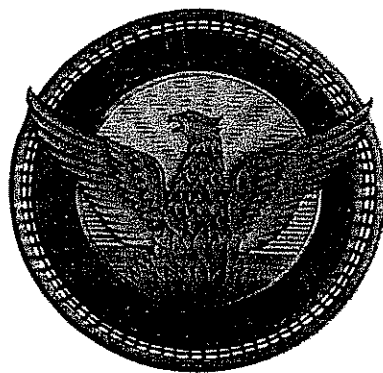
CITY OF ATLANTA, GEORGIA

Technical Proposal To Provide Audit of Financial Statements

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1. Executive Summary/Letter of Transmittal





September 7, 2005

Mr. Adam L. Smith, Esq.
Chief Procurement Officer
City of Atlanta, Georgia
55 Trinity Avenue, S.W., Suite 1790
Atlanta, Georgia 30303

RE: FC - 6005007976
Annual Audit for the City of Atlanta Audit of
Financial Statements
Technical Proposal

Dear Mr. Smith:


Banks, Finley, White & Co (BFW). is extremely pleased to submit this proposal to provide professional accounting services in connection with the audit of the City of Atlanta, Georgia (the "City") financial statements.

It is our understanding that the City is desirous of contracting with a firm to perform the audit of the financial statements of the City of Atlanta, Georgia for the fiscal year ending December 31, 2005. The audits would include the City and all component units as defined by generally accepted accounting principles and would be performed in accordance with generally accepted auditing standards, government auditing standards and those additional provisions required under federal, state and local laws.

We are submitting this proposal to serve as the principal auditor of the City of Atlanta in consideration of a relationship with the City that goes back almost three decades. Our initial relationship with the City began in 1976 as part of the Affirmative Action program initiated by the late Mayor Maynard H. Jackson. Starting as a minority-owned firm partner with a 25% participation on the engagement, over the next decade, we became a 50% partner in the audit of the City's financial statements as well as other professional service engagements. We served continuously with the City from 1976 through 1994. In 2002, we returned to the City as a MBE sub-contractor in connection with the audit of the City's financial statements and most recently served as the principal audit for the year ended December 31, 2004.

The relationship with the City that began back in 1976 has resulted in our Firm serving as principle auditor for major cities and municipalities throughout the southeastern United States. Our compiled experience has allowed us to assemble a team of professionals with knowledge of the City of Atlanta and governmental accounting and auditing unmatched by any firm submitting a proposal as principle auditor under this solicitation.

"Our Team" includes individuals primarily from the Atlanta office of Banks, Finley, White & Co. and our partnering firms under this engagement - Tabb & Tabb and The Williams Group - both Atlanta-based companies with the former being a female-owned business enterprises. We should point out that the partners of Tabb & Tabb and the owner of The Williams Group are alumnus of Banks, Finley, White & Co. with specific experience with the City of Atlanta.



Mr. Adam L. Smith, Esq.
Chief Procurement Officer

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Our team comes with a proven approach to accomplish the audits requested by the City with audit software and working papers in place used over the last three years. With this experience and substantial audit documentation already in place, we are prepared to "hit the ground running". Furthermore, our knowledge of and professional working relationship with City personnel will eliminate the excessive time often required in connection with the transition to new auditors.

We have proposed specific task-oriented audit teams to be assigned to the various aspects of the engagement, consistent with our audit approach and cognizant of the various deliverables and the related deadlines expected as part of this engagement. Our commitment to the City, however, goes beyond *proposing* audit teams of qualified and experienced individuals to serve on the engagement. Our commitment is to have these same individuals assigned to the audits throughout the entire audit engagement.


Substantial changes have occurred in the governmental accounting arena over the last several years, making audits of local governments a unique discipline within the audit profession. Many firms rather than keep up with the changes have elected to discontinue performing audits in this arena. From our inception over 30 years ago, the primary client base of the four offices of BFW has always been the public sector. Accordingly, we commit extensive resources in both personnel and practice aids to ensure we provide the highest quality up-to-date service to our clients and we offer no less to the City.

All the firms responding to this request for proposal are capable of providing basic audit services. We pride ourselves, however, in being more than just "numbers crunchers". We strive to become an extension of your operation. Over the years in serving the City, we have endeavored to become a member of the City's financial team by assisting you in addressing issues that you encountered. We assisted the City in the recent implementation of several major GASB Statements, including most recently Statement Number 34. We have made ourselves available to provide consultation on accounting issues. Our commitment is to continue to enhance this level of commitment and service to the City. As an example, we know that during the fiscal year 2005 audit the City will have to implement GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. We are prepared to assist the City in the implementation of this new pronouncement, as well as others that will become effective over the next several years.

Our commitment to you has been to provide more than quality audit service once a year but to also be available to you year-round. This year-round contact has provided an additional resource to the City as you confront the on-going challenges facing local governments. It has also added to the efficiency of the annual audit process by keeping us informed of on-going issues facing the City while being able to assess audit implications early on.

In addition to the implementation of GASB Statement No. 40, we are aware of the following issues facing the City over the years covered by this solicitation which will impact the audit of the financial statements.

- Monitoring of improvements and enhancements to internal controls in light of reports on internal control issued over the past years.
- Anticipated change in fiscal year during 2006 and the related impact on financial reporting
- Implementation of a new financial information system during 2006 and the related issues of converting balances from the old to the new system; training employees on the new system, handling monthly and year-end close-outs, financial reporting issues, and other related issues.



Mr. Adam L. Smith, Esq.
Chief Procurement Officer

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- The development of a report-writer that will enable the City to prepare its own year-end financial statements in accordance with generally accepted accounting principles.

In the remaining sections of this document, you will see how we are positioned to continue as a member of your financial team while maintaining our independence and objectivity under professional standards. We have set forth, as stipulated in your request for quotations, the qualifications of our firms and of the individuals that would make up our engagement team; our time proven approach to render timely and quality service to the City; and, our commitment to the City and desire to continue our relationship with the City through our proposed compensation arrangements. We have emphasized –


- A professional service team assigned to serve the City. We will return a team of professionals that have proven experience in getting the job done.
- A proven audit approach to meet the time schedule set forth in your RFQ. Our approach to your audit will represent concepts developed from over 28 years of providing similar audit services in the public sector and numerous years, including the last three, providing quality service to the City. Additionally, we continue to challenge our approach to look for ways to enhance our service to you.
- A one-team concept with the City officials and personnel. Through the cooperative efforts of the City's personnel working with our staff, we are confident of a timely and efficient audit process. Under such a team approach, we will be able to complete the audit within the deadlines specified in your RFQ while keeping our fees very competitive and without the added cost to the City and disruption caused by training new auditors.

Our firm meets all independence standards promulgated by the General Accounting Office in its *Government Audit Standards*. We are duly licensed by the Georgia State Board of Accountancy to practice public accounting in the State of Georgia.

We again appreciate the opportunity to submit this proposal to the City of Atlanta, Georgia to provide professional accounting services and to continue the commitment to excellence that we have accomplished together over the years. Gregory C. Ellison is authorized to make representations on behalf of the Firm. Should you have any questions, please do not hesitate to contact him at (404) 763-1002 or gellison@bfwcpa.com.

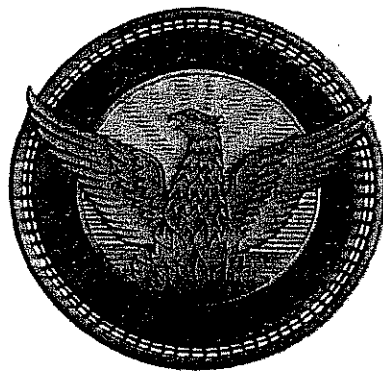
Respectfully submitted,

BANKS, FINLEY, WHITE & CO.



Gregory C. Ellison, Sr., CPA
Resident Partner

2. Organizational Capability and Experience



PROFILE OF BANKS, FINLEY, WHITE & CO.

Founded in 1973, Banks, Finley, White & Co. today is one of the premier regional certified public accounting firms in the southeastern United States. With offices in Atlanta, Birmingham (Alabama), Jackson (Mississippi) and Memphis (Tennessee), our geographic dispersion allows us to operate efficiently and effectively while offering a full range of services to our clients. The combined resources of the firm ensure our clients access to an experienced network of professionals.

BFW has a professional staff of approximately 40 persons, 80% of which are certified public accountants. Since our inception, we have experienced tremendous growth that can be attributed to the quality of service we render to our clients and the managerial talents of our personnel. Locating offices in strategically located cities has also contributed to our growth.

The "full service" concept under which we operate allow us to offer services in the following areas:

- Audit Services
- Management Advisory Services
- Tax Services
- Accounting/Small Business Services

The Atlanta office of the Firm along with the partnering firms of Tabb & Tabb and The Williams Group have the resources and will collectively ensure that the City receives superior audit and other related services. An organization chart of our team appears on page C-5.

BFW ORGANIZATION

The key to the effective delivery of services to our clients is the quality of our personnel. Each BFW office is headed by a resident partner. The resident partner has ultimate responsibility for all engagements accepted by the respective office. Each engagement is assigned to a client service team made up of an experienced partner and manager within the client's industry. Engagements are staffed as required to best meet the client's needs. All engagements are administered in accordance with professional standards and are closely monitored in accordance with Firm requirements to ensure such standards are adhered to.

here are several standards used to measure the quality of our personnel including academic background, professional accomplishments and continuing education. Our staff comes from colleges and universities from across the country that is recognized as having outstanding accounting and business administration programs. All of our staff are encouraged to pass the Uniform Examination for Certified Public Accountants. The firm follows a professional development plan to help ensure our staff is kept abreast of current issues within the profession as well as to meet continuing education requirements of state accountancy boards, the U.S. General Accounting Office and other professional associations. Programs developed by the AICPA and other professional organizations are utilized as part of our professional development program during regular firm-wide workshops.

AUDIT QUALITY

Quality service is of utmost importance in the day-to-day operation of BFW and becomes the central factor in the approach to all of our engagements. The quality of our service is measured by our products and our personnel, both directed by our quality control system. A firmwide quality control system has been designed and adopted to ensure Firm and industry standards are adhered to in the operation of the Firm and on every engagement. In addition to review of audit areas and reports by management members of an engagement team, an independent quality control partner is assigned to each engagement to ensure all standards have been followed.

Additionally, the Firm is a member of the AICPA Division of Firms, Private Companies Practice Section. As a member of the Division of Firms, we are required to have a peer review of our quality control system on a triennial basis. Our last peer review was completed in May, 2003. The review was conducted by a respected CPA firm whose report expressed an unqualified "clean" opinion on the system of quality control for our accounting and audit practice. A copy of the report is included in the "Additional Data" section of this proposal.

PROFILE OF TABB & TABB

Tabb & Tabb is a local certified public accounting firm with one office located in downtown Atlanta. The firm was founded in 1982 and provides a variety of audit, accounting and management advisory services to state and local governments, non-profit organizations, associations and foundations, churches, hospitals, private corporations, and schools. The combined broad base of experience of the Firm's principals and staff is the primary tool used to produce top quality services rendered promptly, accurately and concisely. This experience ranges from supervising staff on the audits of Fortune 500 companies and managing audits of multi-million dollar federal programs to providing technical assistance to small non-profit organizations and assisting entrepreneurs with start-up businesses. Teamwork is emphasized and we use the diversity of our combined experience to accomplish the objectives of our clients and our firm.

TABB & TABB ORGANIZATION

Tabb & Tabb is organized as a Limited Liability Company with two partners. Each partner has extensive audit experience and each partner participates in every audit engagement the firm performs, either as engagement partner or technical review partner. All of our professional staff are CPA's or active CPA candidates. The professional staff of Tabb & Tabb consist of experienced auditors who have worked to a great extent in the local government sector. We spend an uncommon amount of time in continuing our education and expanding our technical expertise. Current developments in the profession and in the accounting industry as a whole are top priorities for our entire staff. We are proud of our reputation as a solution-oriented organization with the capability and flexibility to address new situations.

AUDIT QUALITY

Tabb & Tabb's audit and accounting practice is governed by a quality control system which has been formally adopted and which is continually reviewed and updated for changes in professional standards and in our clientele. Tabb & Tabb participates in the AICPA Peer Review Program. Our most recent Peer Review was completed in December 2001. Our reviewer's opinion was unmodified and the reviewer had no letter of comments. Our 2004 peer review was completed in December, 2004. This unmodified report with no letter of comments will be available upon its acceptance by the AICPA.

PROFILE OF THE WILLIAMS GROUP

The Williams Group is a local certified public accounting firm with a single office located in DeKalb County. The firm was organized in 2003 and provides a variety of audit, accounting and business advisory services to local governments, non-profit and private organizations. The Williams Group utilizes the experience of other independent sole proprietor certified public accountants with a wide range of specific technical, supervisory and management experience in the audit of local governments and non-profit organizations.

THE WILLIAMS GROUP ORGANIZATION

The Williams Group is a sole proprietorship public accounting firm. The principal of the firm has extensive experience in the audit of local governments. The work of other CPA's participating in engagements performed by the firm are reviewed and supervised by the firm's principal. The firm participates in on-going continuing professional education to expand its technical expertise in the audit of local governments.

AUDIT QUALITY

The Williams Group participates in the AICPA Peer Review Program. The firm has adopted a Quality Control System which is continually updated for changes in professional standards. The firm's most recent peer review was completed in December, 2004 with an unmodified review report and no letter of comments.

CAPACITY OF OUR TEAM

Pre-Qualifying Elements

License to Practice in Georgia

Banks, Finley, White & Co. and all key professional staff assigned to the engagement are duly licensed by the Georgia Board of Accountancy to practice in the state of Georgia.

Independence

The firm is independent of the City and its component units under the independence standards promulgated by the General Accounting Office in its *Government Audit Standards*.

Conflict of Interest

The firms in Our Team do not have any situations that would constitute conflict of interest in performing the proposed services.

Quality Control Report

A copy of our most recent external quality control (peer) review report of BFW is presented under the "Additional Data" section of this proposal.

Compliance with Insurance Requirements

As the lead firm, BFW complies with the insurance requirements set forth in Appendix B of the RFP and we will provide necessary certificate accords upon contract award.

Other Affirmations

Continuity of Staff

The firms in Our Team have an excellent record regarding the continuity of staff. Likewise, our firms staff come from colleges and universities from across the country that are recognized as having outstanding accounting and business administration programs. While it is impossible to predict staff retention, we have sufficient competent personnel to properly staff this engagement over the term of the contract.

Accounting Assistance

The firms in Our Team have a broad range of governmental accounting experience including operational/performance audits; bond verifications and assistance in implementation of new pronouncements. We are capable of providing additional accounting assistance to the City within the limits of nonaudit services as prescribed by GAO *Government Auditing Standards*.

Compliance with Professional Standards

Consistent with licensing by the Georgia Board of Accountancy, the successful completion of triennial peer reviews, and experience in providing the requested services, the Our Team has demonstrated and currently maintains capability to comply with professional and legal standards of the entities identified in your RFP.

Compliance with Service Delivery Schedule

Our experience with the City, our proven audit approach as outlined in this document, and the staffing level we will commit to the engagement demonstrate our ability to comply with the schedule of commencement and completion of the services outlined in your RFP.

Other External Reviews

As part of the quality control procedures of federal agencies monitoring audits of federal programs, desk and/or field reviews are periodically performed of audits submitted by independent accounting firms. Recently, single audit reports conducted by BFW on behalf of the Atlanta Public Schools and the related working papers were reviewed by the U. S. Department of Education. Based on their review, the reports as submitted were accepted as submitted and the related work was determined to be in accordance with professional standards.

GOVERNMENT SERVICES QUALIFICATIONS

Our experience and growth has evolved largely in serving public sector clients. As a result, Banks, Finley, White & Co is unsurpassed in developing individuals with public sector expertise. **Our qualifications and commitment to the public sector is reflected best in our portfolio of clients.** In addition to the local governments that we serve in providing audit and management consulting services, we also serve numerous not-for-profit organizations that must meet the audit requirements of the Single Audit Act of 1996, as amended.

Through this experience, we have developed a working knowledge of the *Government Accounting, Auditing and Financial Reporting* (GAAFR - "Blue Book"), *AICPA Industry Audit Guide*, *Audits of State and Local Governmental Units*, pronouncements of the Government Accounting Standards Board and other sources of authoritative and interpretive standards.

To supplement our knowledge and ensure compliance with industry and Firm standards, our Firm utilizes official publications of the Government Finance Officers Association (GFOA), the AICPA and Practitioners Publishing Company's *Audits of Local Governments* as major reference sources.

A measure of the success we have experienced in servicing our clients is reflected in the following partial listing of clients and engagements performed for those clients

Representative Engagements Local/Quasi Governmental

<u>Name of Client</u>	<u>Period Service</u>	<u>Contact Person</u>	<u>Contact Telephone Number</u>	<u>Engagement Partner</u>	<u>Type of Services</u>
Atlanta Office:					
City of Atlanta, Georgia	2003 - Present	Janice Davis CFO	(404) 330-6935	Gregory C. Ellison	Financial Audit OMB Circular A-133
Atlanta Public Schools (APS)	1996- Present	Margaret Coleman Comptroller	(404) 827-8028	Gregory C. Ellison	Financial Audit OMB Circular A-133
City of East Point, Georgia	1995- Present	Henry Bucci Director of Finance	(404) 765-1072	Gregory C. Ellison	Financial Audit OMB Circular A-133
City of Macon, Georgia	2002- Present	Kelley Clark Director of Finance	(478) 751-7246	Gregory C. Ellison	GASB 34 Implementation
Other Offices:					
City of Birmingham, Alabama	1981- Present	Michael Johnson Acting Director of Finance	(205) 254-2205	Jeffrey White	Financial Audit OMB Circular A-133
Birmingham Airport Authority	1988- Present	Al Denson Executive Director	(205) 595-0533	Jeffrey White	Audit
City of Bessemer, Georgia	2001- Present	Mayor Edward May	(205) 424-4060	Jeffrey White	Audit
City of Bessemer, Alabama -- Electric Service Department and Water Service Departments	2000- Present	Mayor Edward May	(205) 424-4060	Jeffrey White	Audit

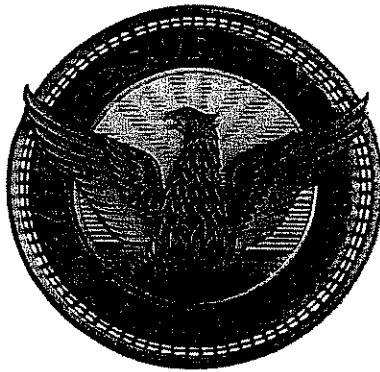
<u>Name of Client</u>	<u>Period Service</u>	<u>Contact Person</u>	<u>Contact Telephone Number</u>	<u>Engagement Partner</u>	<u>Type of Services</u>
Memphis Center City Commission	2000-Present	James Street	(901) 575-0540	Stanley Sawyer	Audit
Memphis Light, Gas & Water	1984-Present	Mike Whitten	(901) 528-4584	Stanley Sawyer	Audit
City of Greenville, Mississippi	1999-Present	Tommy Jeffcoat	(662) 378-1595	Stanley Sawyer	Audit
Depot Redevelopment Corporation of Memphis and Shelby County	1997-Present	Jim Covington	(901) 942-4939	Stanley Sawyer	Audit
<u>Name of Client</u>	<u>Period Service</u>	<u>Contact Person</u>	<u>Contact Telephone Number</u>	<u>Engagement Partner</u>	<u>Type of Services</u>
City of Greenville, MS	1998-Present	Ella Johnson	(601) 378-1595	Kaiser Brown	Audit
City of Jackson, Mississippi	1989 - Present	Cynthia Melvin	(601) 960-1009	Kaiser Brown	Audit

The following is a list debt financing issues of governmental entities for which we have provided professional services. This list represents a fraction of our professional services experience in this area. Over the last 30 years, we have provided services on over \$1 billion in governmental entity debt financing.

Entity	Type of Entity	Description of Issue	Issue Amount	Service	Year
City of Birmingham, Alabama	City Government	General Obligation Capital Refunding Warrants, Series 2004-B	\$9,010,000	Due Diligence and Verification Agent	2004
		General Obligation Capital Improvement Warrants, Series 2004-A	\$23,490,000	Due Diligence and Verification Agent	2004
		General Obligation Refunding Warrants, Series 2003-B	\$32,080,000	Due Diligence and Verification Agent	2003
		General Obligation Refunding Warrants, Series 2003-A	\$17,755,000	Due Diligence and Verification Agent	2003
		General Obligation Capital Improvement and Refunding Bonds, Series 2002-B	\$83,730,000	Due Diligence and Verification Agent	2002
		General Obligation Refunding Bonds, Series 2002-A	\$39,050,000	Due Diligence and Verification Agent	2002
		General Obligation Refunding Bonds, Series 2001-A	\$60,085,000	Due Diligence and Verification Agent	2001
		General Obligation Refunding Warrants, Series 2001-C	\$20,800,000	Due Diligence	2001
		General Obligation Refunding Warrants, Series 2001-B	\$14,750,000	Due Diligence	2001
		General Obligation Capital Improvement Warrants, Series 2000-A	\$53,330,000	Due Diligence	2000
		General Obligation Bonds, Series 1999-B	\$39,175,000	Due Diligence	1999
		General Obligation Refunding Bonds, Series 1999-A	\$22,615,000	Due Diligence	1999
Birmingham Airport Authority		Revenue Refunding Bonds, Series 1999	\$27,560,000	Due Diligence, Revenue Stream Verification	1999
		Revenue Refunding Bonds, Series 2003-A (non-AMT)	\$20,820,000	Due Diligence, Revenue Stream Verification	2003
		Revenue Refunding Bonds, Series 2003-B (AMT)	\$17,875,000	Due Diligence, Revenue Stream Verification	2003
City of Memphis	City Government	General Improvement Refunding Bonds	\$24,040,000	Bond Verification	2002
		General Improvement Refunding Bonds	\$34,160,000	Bond Verification	2004
		General Improvement Refunding Bonds	\$24,000,000	Bond Verification	1998
		Sanitation Sewer System Refunding Bonds	\$22,805,000	Bond Verification	2002
Memphis Shelby County Airport Authority		General Improvement Refunding Bonds	\$92,985,000	Bond Verification	2001
		Special Facilities Revenue Refunding Bonds	\$45,000,000	Bond Verification	2003
		Special Facilities Revenue Refunding Bonds	\$94,550,000	Bond Verification	2001
		Airport Revenue Refunding Bonds	\$46,920,000	Bond Verification	2003

Entity	Type of Entity	Description of Issue	Issue Amount	Service	Year
		Airport Revenue Refunding Bonds	\$26,920,826	Bond Verification	2002
		Special Facilities Revenue Refunding Bonds	\$95,770,000	Bond Verification	2002
		Airport Revenue Bonds	\$238,400,000	Bond Verification	1999
		Airport Revenue Refunding Bonds	\$6,730,000	Bond Verification	1999
		Special Facilities Revenue Refunding Bonds	\$21,780,000	Bond Verification	1997
		Airport Revenue Refunding Bonds	\$104,040,000	Bond Verification	1997
		General obligation Refunding Bonds	\$5,860,000	Bond Verification	1996
City of Bartlett		Special Facilities Revenue Refunding Bonds	\$24,875,000	Bond Verification	1998
Indianapolis Airport Authority					
Shelby County, Tennessee		General Obligation Refunding Bonds	\$20,205,000	Bond Verification	2001
		General Obligation Refunding Bonds	\$21,800,000	Bond Verification	2001
		General Obligation Refunding Bonds	\$16,600,000	Bond Verification	2000
		General Obligation Public Improvement and School Bonds	\$15,685,000	Bond Verification	2000

3. Key Personnel



QUALIFICATIONS OF THE STAFF

Audit Team

We will bring to the engagement an organized audit approach administered by personnel who are committed to and who are qualified by educational background and practical experience to provide the City with outstanding professional services. The Firm's reputation and our high standard of professional performance stand behind all of our work. Our Team and a description of their respective roles on the engagement and their experience follow (see also Client Service Team Chart on page C-5):

Our **client service partner** would be **GREGORY C. ELLISON, CPA**. In this capacity, he will be responsible for the overall direction of services we perform for you, assuring you that we meet all time deadlines and deliver a product of the quality you expect. Mr. Ellison would be the principal contact person for the audit team. He has over 32 years experience in public accounting, serving on several large municipal and other governmental engagements, as well as a wide range of private sector clients. He joined Banks, Finley in 1977, after four years in the Atlanta Office of a Big Four accounting firm. His experience with the City of Atlanta began back in the late 1970's during the Firm's first joint contract as the City's auditors. In addition to the City of Atlanta, he has served as audit partner on engagements with the Atlanta Public Schools and the City of East Point. He served as the quality control partner for the City of Birmingham.

JEFFREY WHITE, CPA would serve as the **quality control partner** and **consulting partner** for the City audit. In his capacity as quality control partner, he will be responsible for ensuring professional standards are adhered to during all phases of the engagement and will work closely with Mr. Ellison. In his capacity as consulting partner, he will work closely with our Department of Aviation (DOA) Team offering his expertise and technical advice on issues impacting that phase of the engagement. Mr. White has over 26 years of public accounting experience. He serves as the partner on local government engagements such as the City's 2004 DOA Audit, City of Birmingham (Alabama), Birmingham Airport Authority, Jefferson County (Alabama) Board of Education, Birmingham Board of Education, and is involved in numerous college and university, nonprofit and local government engagements.

CYNTHIA TABB, CPA would also serve as a **consulting partner** for the City audit. In this capacity as consulting partner, she will work closely with our Department of Watershed Management (DWM) Team offering her expertise and technical advice on issues impacting that phase of the engagement. Mrs. Tabb has over 28 years of public accounting experience. She has served as the engagement and/or technical review partner on audit engagements such as the City's 2004 DWM audit, City's Empowerment Zone Corporation, One Stop Capital Shop and Women's Economic Development Agency and Sweet Auburn Curb Market; the Georgia Public Telecommunications Commission and the Foundation for Public Broadcasting in Georgia, Inc.; and, Hancock County, Georgia. Her experience with the City of Atlanta began in the late 1970's, when she worked for several years on the City of Atlanta's audit as a staff auditor with Banks, Finley, White and Co. During that period, she conducted the audits of U. S. Environmental Protection Agency grant projects used to partially fund the City's R. M. Clayton wastewater treatment facilities.

L. MICHAEL FORSYTHE, CPA would serve as the **supervising manager** and the **Department of Aviation Team Leader**. He would be responsible for ensuring our audit plan related to the DOA is fully implemented and supervising the day-to-day activity of staff assigned to that team. He will also be involved in supervising major areas within the **General Government** phase of the audit. Mr. Forsythe has 31 years of combined experience in public accounting, private industry, governmental and quasi-governmental accounting. He joined the Atlanta Office of Banks, Finley, White & Co. after two years in the Jackson, Mississippi Office of the Firm. Mr. Forsythe served for two years in the capacity as controller for the Housing Authority of the City of Atlanta. He then returned to Banks, Finley, White & Co. He has served as manager on the audit engagement for the City of Atlanta since 2002. He has also served as manager on audits of the Atlanta Public Schools, City of Albany and the Albany Water Gas and Light Commission.

LEANDREW TABB, CPA, would serve as a **technical partner** for the City audit. In this capacity, he will work with the Department of Watershed Management (DWM) Team and as needed throughout all phases of the engagement. Mr. Tabb has 31 years of experience in public accounting and served as the engagement partner on the City's 2004 DWM audit. He has served as the engagement and/or technical review partner on a variety of governmental audits including the Georgia Public Telecommunications Commission, the City of Atlanta's Empowerment Zone Corporation and several publicly funded hospitals. He has consulted extensively with local government and school clients regarding debt financing issues. His experience with the City of Atlanta began in the late 1970's when he worked on the audit of the City of Atlanta as a supervisor with Banks, Finley, White & Co.

JERRY WILLIAMS, CPA will serve as the **Team Leader** over the **General Government and Centralized Areas Teams**. He would be responsible for ensuring our audit plan related to the General Government and Centralized Areas is fully implemented and supervising the day-to-day activity of staff assigned to that team. Mr. Williams has over 21 years of public accounting experience. He served on the City of Atlanta audit for most of the 1990's and is fully knowledgeable of many of the City's operations and has worked extensively with many persons responsible for these areas. His additional local government audit experience includes the City of Albany and the Atlanta Development Authority, Atlanta Empowerment Zone Corporation and Atlanta-Fulton County Water Resource Commission – the first two being component units and the last entity being a joint venture of the City.

RAKEBA DOSS will serve as **senior auditor** on the engagement and will have major responsibility for the audit of the City's pension funds. Ms. Doss has served in this capacity over the last two years. In addition to her experience with the pension and other areas of the City's audit, she has also served as senior auditor on the City of East Point engagement for the last two years.

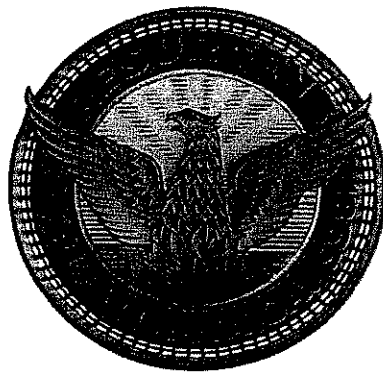
FRANCES HARLEY, CPA will serve as **senior auditor** on the engagement and will have major responsibility for the Single Audit. Mr. Harley has served in this capacity in previous audits of the City. In addition to his experience with the Single Audit and other areas of the City's audit, he has also served as senior auditor on Atlanta Public Schools engagement for the last two years.

EARLE TURNER, CPA will serve as **senior auditor** on the engagement and will have responsibility over significant centralized areas and review of reports received from component units of the City. Mr. Turner has over 30 years of experience. In addition to his audit experience, Mr. Turner has also provided technical accounting assistance to the Atlanta Housing Authority, the Atlanta-Fulton County Recreation Authority and the City of Macon.

Continuing Professional Education

All individuals participating on this engagement meet continuing professional education (CPE) requirements of the AICPA Division for Firms, the GAO and state regulatory bodies. All professional staff, including partners, must have 40 hours of qualifying CPE each calendar year and at least 120 hours for each three-year period. In addition, our professionals involved in governmental auditing are required to meet the GAO requirements of 80 credit hours, 24 of which must be in government accounting and auditing for each two-year period. Our compliance with CPE requirements was verified in connection with our May 2003 peer review and annual inter-office quality control inspections.

4. Specific Audit Approach



AUDIT PHILOSOPHY AND APPROACH

Our audit approach is tailored to match the unique organizational structure of our local government clients. This allows us to match audit procedures to the client's major classes of transactions, which optimizes audit efficiency and maintains strict adherence to professional standards. This approach also would enable us to meet all reporting deadlines specified in your Request for Quotation.

Our audit approach focuses on the audit risk elements of the City and the related internal control structure. The purpose of our audit risk assessment **is to develop an effective and efficient audit plan** tailored to each client situation. This is an important first step in the planning process because the major risk areas will vary depending on the governmental entity. Our firms' extensive experience with large, complex governments, in general, and the City of Atlanta, in particular, gives us a foundation to use in identifying current audit risks of the City. Our management team will initiate our audit plan to develop our audit risk assessment as soon as we are appointed. The audit effort then is channeled into areas where there are higher levels of audit risks.

Our audit approach includes the assignment of task-oriented teams to engagements who have the prerequisite skills and experience and the establishment of time-phased and risk-based plans for the timely completion of engagements. Such an approach requires close communication and cooperation between our personnel and designated key City personnel, forming a successful team that makes the critical difference in completing the audit engagement.

To supplement our knowledge and ensure compliance with the State of Georgia, industry and firm standards, our Firm utilizes official publications of the AICPA, Practitioners Publishing Company's "Audits of Local Governments" and "Single Audit Compliance Programs Creator", and GASB pronouncements and publications as major reference sources.

SCOPE OF SERVICES

We will perform the annual audit for the year ending December 31, 2005, to determine that the City's financial statements and separate reports, as described below, present fairly the financial position and results of financial operations in conformance with generally accepted accounting principles.

Our audit procedures will be performed in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS). These procedures will include determining whether the City has complied with laws and regulations that have a material effect on the financial statements, as required by GAAS, GAGAS, the Single Audit Act, OMB Circular A-133, by state law, City Charter and provisions governing restricted funds. We understand that the financial statements will be published in a Comprehensive Annual Financial Report (CAFR) that will be submitted to the Government Finance Officers Association (GFOA) under the "Certificate of Excellence in Financial Reporting" program and consistent with Government Accounting Standards Board Statement No. 34, and other applicable standards on reporting.

We will issue the following reports in the time frame and in the appropriate numbers as specified in your RFP:

	<u>Fiscal Year Ending</u>	<u>Delivery Date</u>
Comprehensive Annual Financial Report for all funds of the City and applicable component units	12/31	6/15
Department of Aviation	12/31	7/31
Department of Watershed Management	12/31	7/31
General Employees Pension fund	12/31	7/31
Firemen's Pension Fund	12/31	7/31
Policemen's Pension Fund	12/31	7/31
State Required Grant Certifications (w/ Independent Accountant's Report)	12/31	7/31
Hotel/Motel Tax Report	12/31	7/31
Motor Vehicle Excise Tax Report	12/31	7/31
Management Letter	12/31	7/31
Single Audit	12/31	9/15

AUDIT WORK PLAN

Our audit work plan is designed to deal with the increasingly complexity of government financial reporting systems, control cost of the audit engagement, and maintain quality auditing and reporting standards necessary to assist the City in obtaining the GFOA Certificate of Excellence in Financial Reporting. Our audit consists of four phases - *planning, preliminary, final and reporting*.

PLANNING PHASE

The main objective of the planning phase is to update our knowledge and understanding of the accounting systems and internal controls, legal requirements, political considerations, reporting requirements, and economic conditions of the City. Prior to beginning the engagement, the engagement team would conduct preliminary meetings with key City personnel including the CFO and the Audit Committee to identify and discuss "critical" audit areas and those areas or issues that might present problems during the course of the audit as well as have an impact on the auditors' reports. This process facilitates the identification and resolution of audit and accounting issues early to minimize late occurring difficulties when deadlines are approaching.

During the 2005 audit, we would perform the requirements of Statement of Auditing Standards (SAS) Number 99, "Consideration of Fraud in Financial Statement Audit" to consider the risk of material misstatements in the City's financial statements due to fraudulent financial reporting and/or misappropriation of assets and that we design our audit procedures to provide reasonable assurance of detecting such fraud. Based on information gathered from procedures performed, we would synthesize the data to identify potentials risks of material fraud and make the appropriate adjustments to our audit approach and procedures.

We accomplish these objectives by means of past experience with the City and updating this knowledge through inquiry with City officials and personnel, observation of various activities and accounting functions, use of various checklists and inspection of documents.

During this phase of the audit we would also prepare documentation of transactions flows and controls under the City's management information systems including the following:

- Management's philosophy and operating style
- The organizational structure of the City
- Methods used to communicate assignment of authority and responsibility within the City.
- Management's control methods
- Personnel policies and procedures.
- The interplay of external influences on the City's operations.

Additional procedures performed during this phase would include the following:

- Completing preliminary analytical review of financial information.
- Finalizing request for audit schedules and overall approach with the City's management.
- Reviewing GFOA and Georgia Department of Audits comments from the 2004 CAFR.
- Review status of corrective action taken in connection with 2004 management letter and Single Audit
- Making a preliminary determination of "major funds" to be reported on in the 2005 CAFR.
- Determining the data needed to implement any new GASB pronouncements.
- Evaluating the need for specialized audit experts

Single Audit

Our experience with single audits in both the governments and not-for-profit sectors provides us with extensive working knowledge of the requirements of the *Government Audit Standards* and OMB Circular A-133. We are familiar with changes in these standards and are prepared to incorporate them into our planning of the City's audit.

One of the other objectives of the planning phase is to identify the kinds of errors and irregularities that could occur for all types of transactions and accounts and the controls that would eliminate such misstatements. Test of controls and compliance tests performed in connection with the Single Audit would be done in conjunction with tests performed related to the financial statement audit (dual tests). To gain further audit efficiencies, we also look for opportunities to combine this phase with anticipated testing to be performed during the final audit phase of the audit(triple tests). For areas to be tested sampling techniques would be used for our tests of determined control attributes.

Single audit tasks to be performed include:

- Determining the "major" programs for purposes of audit emphasis.
- Determining that there are effective controls and proper accounting for revenues and expenditures of federal financial assistance programs relating to the Single Audit.
- Performing tests within the appropriate program elements for major federal financial assistance programs to determine compliance with program provisions.
- Incorporating compliance requirements of the FAA Passenger Facility Charge audit guidelines and performing applicable test of controls.

PRELIMINARY PHASE

During the preliminary phase of the audit, we would perform certain procedures including tests of controls and compliance tests. Key procedures include:

- Internal control review completion.
- Review of work papers generated to date and adjust audit plan, if necessary.
- Analytical procedures to direct attention to relationships outside the expectations we have formed based on our initial procedures.
- Performing tests of controls that have been identified in the preliminary evaluation process as affording a reduction in the extent of testing because they reduce control risk below maximum.
- Based on the results of the tests of controls and other interim procedures, formulation the audit tests and procedures to be performed following year-end.
- Review format of proposed financial statements and notes including any changes mandated by new or revised pronouncements.
- Confirming with City management the timing and participation of City personnel and our staff necessary to complete the audit.
- Discussing with City management the results of the interim work and any issues to be resolved.

FINAL PHASE

There are a number of steps we must complete at this point of the engagement that brings all the planning and preliminary work to a culmination, including performing top-level analytical review procedures to identify unusual financial trends. It is also at this stage that we ensure all applicable financial and reporting standards are implemented.

During the final fieldwork phase of the audit, we would complete the procedures necessary for year-end reporting. Key elements include:

- Transaction and compliance testing through the year-end date, including testing the propriety of accruals initially recorded by the City.
- Finalize determination of "major funds" for reporting on in the CAFR.
- Analytical testing and bring balance sheet to final report balance.
- Perform any further testing determined to be necessary as an outcome of interim findings.
- Discuss with City management any unanticipated problem areas that have surfaced.
- Assist the City in implement any new or revised pronouncements.
- Furnish the City preliminary report on all deliverables

As part of the audit process, working papers would be prepared in the form of schedules, memorandum, representations, copies of documents, etc. A critical aspect of our audit plans is on receiving timely assistance from City accounting staff in preparing schedules, including those related to yearend account balances, as well as providing clerical assistance when appropriate. This will enable us to keep our fees down when also enabling our staff to concentrate on the more technical issues during the final phase of the audit.

Centralized Audit Areas

Many of the City's accounting transactions are processed through a single system, for all funds. Our audit approach would be to audit these areas "centrally", which would be more efficient than as part of a fund audit. The following is a highlight of some examples of material "centralized" audit areas and the procedures we will apply:

- **Cash** – We would meet early on with City personnel to determine their status on the timely completion and accuracy of bank reconciliations and the proper accounting for the pooled cash funds. Based on our computation of materiality, we would select bank accounts on which to perform substantive procedures on bank reconciliations. We also would assist the City in designing procedures to effectively implement GASB Statement No. 40 and developing new financial statement disclosures.
- **Investments** – While we would approach investments as a centralized area, we recognize that there are three major categories of investments within the City's CAFR – unrestricted and pooled investments, investments associated with restricted capital projects and pension investments. We would perform required procedures within each of these categories of investments to determine the proper valuation of investments and that investments held were in accordance with laws, regulations and policies set by governing boards. Also, appropriate procedures would be performed to ensure proper disclosure of risk factors associated with investments held by the City under the new requirements of GASB Statement No. 40.
- **Accounts Payable/Accrued Expenses** – We would work with City personnel to develop a plan to produce special reports that summarizes accounts payable and accrued expenses for each fund to ensure appropriate accruals are recorded by City personnel under provisions of GASB for governmental accounting.

Sampling techniques would be appropriately used for detail testing of these accounts to ensure the accuracy and completeness of the City's accrued liabilities.

- **Capital Assets** – Capital assets within the City are primarily within three funds – governmental funds (to comply with GASB 34 requirements at the government-wide level), Department of Watershed Management Fund and Department of Aviation Fund. Within the latter two funds, we recognize that major capital projects are underway. We would focus substantial effort to the propriety and completeness of capital costs associated with these projects. Overall we would also perform substantive testing on capital asset additions throughout the City unrelated to construction projects. Audit work in this area will also include testing the City's computation of depreciation expense.
- **Long-term Debt** – Long-term debt within the City are also within the same three funds as described above under capital assets. Our audit approach in this area will include ensuring scheduled debt service payments were made and that the City is in compliance with relevant debt covenants for all outstanding issues. We are aware that the City has several SWAP Option Agreements related to outstanding debt within the Department of Watershed Management and the Department of Aviation funds. The status of these agreements and the impact on the financial statements will require close attention in our audit approach. Additionally, we are aware that the City had several bond issues during the year. The propriety of the accounting for these issues in the City's financial statements as well as related disclosures will be a central audit issue in this area.

Audits of Funds

Many funds have a number of "unique" audit considerations that fall outside of the centralized audit areas. Our audit approach would be tailored for each of these areas. The following highlights examples of these areas by fund:

- **General Fund** - One of the keys to successfully auditing the City and meeting the established deadline is understanding the integrated relationship between the General Fund's interfund entries and other City funds. We would audit this fund and coordinate with the audit of other funds to ensure timely determination of related audit adjustments; perform substantive procedures on property taxes; analyze final significant budget to actual variances; and inspect the general ledger for non-departmental expenditures that may require adjustment for GAAP presentation.
- **Special Revenue Funds** - The City uses Special Funds to account for restricted revenue under the terms of certain intergovernmental and /or other laws or contracts. We will focus audit efforts to determine that such revenues and expenditures are properly accounted for consistent with the terms of the respective agreements. This effort will be coordinated with audit procedures performed in connection with the Single Audit under the requirements of OMB Circular A-133.
- **Capital Projects Funds** – The City uses the Capital Projects funds to track expenditures related to obtaining, constructing or renovating capital assets within governmental funds with sub-funds established to track the various projects. Our audit in this area would be coordinated with work performed on capital assets for governmental funds as described above with additional emphasis on ensuring expenditures within the various sub-funds are consistent with the intended purpose of those funds.

- **Internal Service Funds** – The City uses the Internal Service funds to account for services provided by the City for the benefit of other departments of the City, primarily its motor transport and information technology operations. Under GASB 34, the net income or loss from these operations must be allocated back to the user departments. Our audit approach will focus on the propriety and source of charges to the user departments to ensure allocations under GASB 34 are appropriate.
- **Department of Watershed Management** – Much of the work in this fund will be in the area of capital assets and long-term debt, as described above, however, within the fund, attention will be given to completeness and accuracy of customer billings properly reconciled to the general ledger and the collectibility of outstanding account balances. We also recognize that the City is under several consent decrees regarding its wastewater operations. The status of these decrees will remain a focus of the audit effort in this fund. The completeness and proper valuation of the fund's materials and supplies inventory will also be addressed as part of the audit of this fund.
- **Department of Aviation** – As with the Department of Watershed Management, much of the work in this fund will be performed in centralized areas, however, attention will be given specifically to the various revenue sources with the Department of Aviation as to the completeness of the revenue recognition consistent with the terms of the various agreements and the completeness and accuracy of accounts receivables, properly reconciled to the general ledger.
- **Pension Funds** – While most of the accounts related to pensions will be audited through the centralized areas, specific procedures will be performed within the funds relating to the propriety of contributions and benefit payments. Information related to footnote disclosure within the CAFR will be accumulated in connection with the audit of this fund.
- **Component Units** – We will coordinate with City personnel the requests from the various discretely-presented component units for the receipt of their respective audited financial statements. The timely receipt of those statements is critical for our review and incorporation of the financial data into the CAFR.

Single Audit

The final phase of the Single Audit would include receipt of confirmation of grant revenues and expenditures (completion reports) from major grantor agencies and reconciliation of confirmed amounts to the City's general ledger. During this phase we would also prepare required reports on compliance, internal control structure, the schedule of federal awards and findings, recommendations and questioned costs and the schedule of passenger facility charges.

Audit Wrap-up

Throughout the entire audit process we would meet regularly with City personnel to resolve any critical issues. **We believe our audit plan and experienced teams of both auditors and City personnel would be able to best work together to meet the challenges of the City's reporting deadlines.**

The audit managers assigned to this engagement would evaluate work performed by staff members on the engagements. Partners are the only persons authorized to sign the Firm's name or to commit the Firm to a particular course of action. Therefore, working papers and reports would be reviewed by partners, including the engagement partner.

Our firm has a quality assurance program for each major engagement. While the quality of the work and its timely completion would be the primary responsibility of the engagement partner, a second partner, having

extensive experience with audits of local governments, would make an independent review of the work performed, the financial statements and the related auditors' reports

Matters requiring immediate action by the City such as the discovery of theft, defalcation or other dishonest or improper acts would be referred to the partner who would promptly notify the City officials.

REPORTING PHASE

We recognize that the key to meeting the City's reporting deadline is to integrate the report process into all phases of the audit process. We believe our plan would ensure meeting the reporting deadlines.

Although our audit approach is detailed and extensive, we do not lose sight of the end product of our efforts - the Comprehensive Annual Financial Report (CAFR). **We are committed in assisting you in achieving your goal to receive the GFOA Certificate of Excellence in Financial Reporting.** This goal establishes the minimum standards that we must operate by. Our philosophy in approaching the review of the CAFR is to ensure that all disclosures pursuant to generally accepting accounting principals are made; ensure that the presentation format meets the requirements of the GFOA Certificate of Excellence in Financial Reporting program; and ensure that information relevant for potential readers of the statements is fully disclosed. Inherent in our philosophy is, while providing full disclosure, making the CAFR as clean and concise as possible. To ensure we meet all reporting and disclosure standards, we utilize checklists provided by GFOA and checklists by the Georgia Department of Audits.

Our "paperless" audit software package allows us to summarize all the audit adjustments and the generation of final adjusted balances linked to financial statement report writer systematically. **Reports have already been developed and are in place for the Departments of Aviation and Watershed Management separate reports.** Once all audit entries are resolved, we can easily produce all reports other than the CAFR directly from our audit software report writer. **The 2005 and 2006 CAFR will be generated using the GASB 34 report model we developed in connection with the implementation of GASB 34 during the 2004 audit.** It is our understanding that CAFRs after 2006 will be produced by City personnel

Because of our experience with the City, with the full cooperation of the City staff, we are committed to meeting the deadlines set forth in your RFP, despite the timing of the procurement process.

AUDIT EFFICIENCIES

In planning the City's engagement, our approach will allow us the flexibility of incorporating various audit efficiencies to reduce time in the "crunch" period of the engagement. Each of these areas is discussed below.

Tailored Computer Assisted Audit Techniques

Our Firm uses software to facilitate documentation of our audit process in a “paperless” format. This software allows us the flexibility to import electronically the City’s trial balances by fund and with the related report writer facilitates the efficient preparation of financial statements. In connection with the 2002 audit of the City, the report writer was setup to generate the separate reports for the Department of Aviation and the Water and Wastewater System Fund. Additionally, the software allows us to incorporate work papers prepared through word processing, spreadsheet and other software applications into a single software package. Combining this software with the capabilities to network all laptop computers each of our personnel will bring

to the audit site allows us to create a more efficient audit process. Over the past two years, we have developed dozens of electronic workpaper files as part of the audit process, including the CAFR. Incorporating those files along with schedules to be prepared by City personnel into our “paperless” audit software allows our Firm to *hit the ground running* in performing your December, 2005 audit.

Information Technology Auditing

Our Firm’s audit procedures include assessing internal controls within the information technology environment. Essential to our approach in the performance of an effective and efficient financial audit for the City is the assessment of certain “general computer controls” which significantly contribute to the support of the City’s major financial applications. General computer controls are those that support the ability of user to process, secure, and recover transactional information in accordance with client management’s expectations.

Through our preliminary planning activities, we have determined that the following major financial applications are integral to the scope of City’s financial audit:

- MARS/G
- Oracle Financials

Tests of general computer controls will be conducted, at a minimum, within the following areas:

- Information Security
- Program Change Controls (System Application Development and Maintenance)
- Computer Operations and Administration
- Network Operations and Administration
- Business Continuity / Disaster Recovery

Prior audits have also included reviews of the City’s information technology environment as well. To the extent possible, we will leverage existing information regarding your existing IT infrastructure to serve as a foundation for updating our understanding. We will then confirm and finalize our understanding through discussions with key IT personnel, observing relevant processes and procedures, and performing tests of general computer controls as customized for the purpose of this audit.

We would also use data extraction software (Interactive Data Evaluation and Analysis – IDEA), where possible, in various aspects of the audit process. Examples of applications of this software include electronically testing aging of data such as utility billings; reperforming computations; checking for duplicate

payments or gaps in numerically controlled documents; generating random sample of transactions for testing and stratifying data for analytic procedures.

Client Assistance

We encourage our clients to have their personnel prepare as many working papers and schedules as practical and to provide as much clerical assistance as possible without putting an unnecessary burden on them or interfering with their normal duties. We feel this benefits both our clients and ourselves through the exchange of knowledge and experience. Additionally, such cooperation is helpful in keeping the cost of the audit within reasonable limits.

We know the City has invested considerable resources in the past years in developing a database of audit schedules. However, many of the schedules were developed for pre-GASB 34 financial statements and audit approach. As a result, many of the schedules provided during the 2004 audit had to be revised once reviewed by us. Once appointed as the City's auditors, **we would review and update the existing client assistance list and applicable schedules** to produce audit schedules to be consistent with the modified and accrual basis of accounting required under GASB 34. As part of the process of client assistance, we would also meet in groups with appropriate client personnel responsible for schedules by areas and/or fund to ensure an understanding of the nature and purpose of the respective schedules. Such an understanding should facilitate the accurate and timely preparation of the schedules to meet audit objectives.

As the audit process progresses, other areas which the City might participate could materialize. However, we will keep management informed to minimize disruptions to City operations.

REPORTS ON INTERNAL CONTROL STRUCTURE

In connection with the developing the nature, timing and scope of audit procedures to be performed as outlined above, we review internal controls relative to the financial operations of the City. Deficiencies noted in internal controls are documented for disclosure in our report on internal control. This report to the City will be a fundamental and useful product of our professional services and will address instances of reportable conditions (if any) and noncompliance with laws and regulations relative to accounting and financial reporting. In addition, the report will address management, data processing operations, accounting procedures, and internal controls weaknesses noted during the audit.

The report over the past several years has been extensive in its findings. As part of the current year audit procedures, we will monitor improvements and enhancements to internal controls in light of correction action steps indicated by the City in response to prior year reports. Our current year report will include a status of prior years' findings.

PRESENTATION OF AUDIT RESULTS

An exit conference would be held at the conclusion of the examination with City management, the Audit Committee and the Finance Committee of City Council to present the results of all deliverables outlined herein.

FINANCIAL STATEMENT AND CAPACITY

1. BFW has maintained a banking relationship with Wachovia Bank for over 28 years. The City may contact the following person to substantiate our relationship with Wachovia:

Kathy Darville
Assistant Vice President
Wachovia Bank
(404) 559-3561

2. BFW has never filed for bankruptcy, taken any actions with respect to insolvency, reorganization, receivership, moratorium, or assignment for benefit of creditors, or otherwise sought relief from creditors.

GREGORY C. ELLISON, CPA
(Georgia)
Engagement Partner

EDUCATION:

University of Iowa, B.B.A. in Accounting

EXPERIENCE:

Mr. Ellison began his public accounting career with KPMG, Peat Marwick in 1973. He joined Banks, Finley, White & Co. in 1977 and was admitted to the partnership in 1979.

Mr. Ellison has served clients in various industries in the public and private sector.

CLIENTS SERVED:

During his career Mr. Ellison has served the following clients:

Public and Private Sector Audit

Engagements:

City of Atlanta, Georgia, Comprehensive
Annual Audit

Atlanta Independent School System

City of Atlanta/Fulton County

Stadium Authority

City of East Point, Georgia,

Comprehensive Annual Audit

City of Macon, Georgia

The Coca-Cola Company - Employee
Benefit Plans

Not-for-Profit Audit Engagements:

Clark Atlanta University

Georgia State University Foundation

Morris Brown College

100 Black Men of America, Inc.

Southern Christian Leadership
Conference

Consulting Engagements:

Morehouse College, Special Assignments

City of Atlanta, Cash Management Study

City of Atlanta, Airport Concessionaires

Special Audit

City of Atlanta, Long Range Financial

Management Plan Study

Urban Residential Finance

Authority, Preparation of

Accounting an Procedures Manual

GREGORY C. ELLISON
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SPECIAL EXPERTISE:

Mr. Ellison's experience with Banks, Finley, White & Co. has included partner responsibility on many audits of not-for-profit organizations, employee benefit plans, school districts, local governments and public corporations. He has served as client service partner on several significant consulting projects and as a member of the advisory team on bond issues. His experiences demonstrate his ability to effectively manager projects of all sizes and provide a full range of service to clients.

**PROFESSIONAL
AFFILIATION:**

Mr. Ellison is a member of the following professional and civic organizations:

American Institute of Certified
Public Accountants
Georgia Society of Certified
Public Accountants
Georgia Government Finance
Officers Association
National Association of Black
Accountants

Atlanta Partners for Education
(Advisory Board Member)

Georgia State Board of Accountancy
(Former Board Member)

The Alliance Theatre Company
(Former Board Member)

STANLEY B. SAWYER, CPA
(Tennessee)
Quality Control Partner

EDUCATION:

LeMoyne-Owen
Graduated Summa Cum Laude

EXPERIENCE:

Stanley Sawyer began his professional accounting career with Deloitte, Haskins, and Sells (currently merged as Deloitte & Touche). He currently serves as the partner-in-charge of the Memphis office of the Firm.

CLIENTS SERVED:

During his career, Mr. Sawyer has served clients in the public and private sectors. A representative sample of clients served follows:

Public and Private Sector Audit Engagements:
City of Atlanta - Department of Watershed
Management (Quality Control Partner)
Memphis Gas, Light & Water
Tri-State Bank of Memphis
United Bank and Trust Company
Postal Employees; Credit Union
Resolution Trust Corporation:
First Commercial Bank of Memphis
Worthing Trust (Arkansas)

Not-for-Profit Audit Engagements:
East Central Arkansas Economic Development
Corporation
Boys, Girls, Adults Community Development
Agency
Midtown Mental Health
Case Management, Inc.

**PROFESSIONAL
AFFILIATION:**

Mr. Sawyer is a member of the following organizations:

American Institute of Certified Public
Accountants
President Memphis Chapter National
Association of Black Accountants
President Student Chapter of National
Association of Black Accountants
Tennessee Society of CPA's
Board Member Black Business Association

JEFFREY WHITE, CPA
(Alabama)
Information Technology Partner

EDUCATION:

Alabama State University, BS in Accounting

EXPERIENCE:

Mr. White joined BFW&Co. in 1979. He has served as engagement partner for professional services provided to our county and municipal clients including boards of education, as well as institutions of higher education. These services include audits of financial statements, operational audits, economy and efficiency audits, performance audits, design and development of accounting policies and procedures manuals, computer consulting and agreed-upon procedures engagements.

During his 25 years with the firm, he has had extensive experience in audits of private and public entities, including audits under Government Auditing Standard (GAS) and serves as the engagement partner on the Birmingham Office's financial and compliance audits.

He has also performed management advisory services primarily in the area of the development of accounting systems and procedures manuals, management reviews, implementation of computer systems, preparation and review of financial forecasts and compilation and review of projected financial statements.

Mr. White received a Bachelor of Science Degree in Accounting from Alabama State University. He is a member of the Alabama Society of CPA's and the American Institute of Certified Public Accountants, and Government Finance Officers Association of Alabama.

FREY WHITE
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CLIENTS SERVED:

Alabama State University
Alabama A&M University
Stillman College
Talladega College
Wiley College
University of Alabama at Birmingham
University of Massachusetts
City of Birmingham, Alabama

**Professional
Affiliation:**

Member of the Alabama Society of CPA's
Member of the American Institute of Certified
Public Accountants

CYNTHIA A. TABB, CPA
(Georgia)
Consulting Partner

EDUCATION:

University of Georgia, BBA in Accounting

EXPERIENCE:

Cynthia Tabb is practicing certified public accountant with over twenty-five years of specialized experience concentrated in the audits of local and state governments and consulting services provided to governmental and non profit entities.

During her career, Mrs. Tabb has compiled the following experience:

Banks, Finley, White & Co., Certified Public Accountants 1977 - 1980. Supervised audits of Job Corp Centers under contract to the U.S. Department of Labor Inspector General. Participated in the authorship of the Inspector General's audit guide for these audits. Participated on the City of Atlanta annual audit and performed numerous audits of construction grants for the Environmental Protection Agency.

CLIENTS SERVED:

Mrs. Tabb has been responsible for management of government and non-profit audits and management advisory services, including the 2004 audit of the City of Atlanta's Department of Watershed Management.

During her career Ms. Tabb has served the following clients:

City of Atlanta - Annual audit
Atlanta Minority Business Development Center -
Consultant
Blue Cross and Blue Shield of Florida - Audit
State of Georgia Department of Natural Resources

CERTIFICATION:

Georgia Certified Public Accountant
- Certificate Number 4738

LEANDREW A. TABB, CPA
(Georgia)
Technical Partner

EDUCATION:

Jacksonville State University - BS

EXPERIENCE:

Leandrew Tabb is a practicing certified public accountant with over thirty years of experience in public accounting. His professional experience is widely varied and includes extensive experience in auditing and consulting with local and state governments, specifically in all aspects of municipal financing. Providing audit, accounting and consulting services in the construction industry is also a specific area of expertise for Mr. Tabb.

During his career, Mr. Tabb has compiled the following experience:

Tabb & Tabb (1982-present) - Responsible for management of commercial, construction, not-for-profit, hospital, and governmental audits, general consulting and tax services.

Ernst & Young, (1980-1982) - Responsible for management of audit staff and audit field work, resolution of technical problems, and compiling data for communication of audit results to clients and Firm's partners.

Banks, Finley, White and Co. (1977-1980) - Managed fieldwork on Small Business Administration 406 technical assistance contract. Managed the firm's construction and tax departments. Supervised audit fieldwork for the audit of the financial statements of the City of Atlanta.

PriceWaterhouse/Coopers (1974-1977) - Provided audit and consulting services to Fortune 500 companies.

CLIENTS SERVICED:

Served as technical partner of the 2004 audit of the City of Atlanta's Department of Watershed Management.

CERTIFICATIONS:

Georgia Certified Public Accountant
License Number 4981
Tennessee Certified Public Accountant
License Number 18189

L. MICHAEL FORSYTHE, CPA
(Georgia)
Supervising Manager

EDUCATION:

LeMoyne College, B.S. in Business Administration
and Accounting
M.B.A. Post-graduate studies at Jackson State
University

EXPERIENCE:

Mr. Forsythe began his public accounting career with Pannel Kerr Forster & Co. in 1970. Since then he has compiled 27 years of professional experience with 14 years in the corporate world advancing to the position of chief financial officer/controller, 9 years in public and 4 years in government. He joined Banks Finley, White & Co. in 1990 and transferred to the Atlanta office in July, 1993.

Mr. Forsythe has developed a comprehensive slate of experience covering several industries with first-hand experience as a state auditor for governmental agencies, as a state tax auditor and also as controller for the Housing Authority of the City of Atlanta.

CLIENTS SERVED:

During his career, Mr. Forsythe has served the following clients:

Public and Private Sector Audit Engagements:
City of Atlanta, Georgia Comprehensive Annual
Audit
Atlanta Independent Schools System
City of Albany, Georgia Comprehensive Annual
Audit
Water, Gas & Light Commission of Albany, Georgia
City of Atlanta/Fulton County Recreation Authority
The Coca-Cola Company - Employee Benefit Plan
MARTA, Annual Audit
State of Mississippi and City of Jackson
Comprehensive Annual Audit
Mississippi Department of Education
Mississippi State Insurance Department
Mississippi Emergency Management Agency
Mississippi Aeronautics Commission
Comprehensive Annual Audit

L. MICHAEL FORSYTHE
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Not for-Profit Engagements:

100 Black Men of Atlanta
Georgia Legal Services Program, Inc.
Greater Atlanta Small Business Project, Inc.
Mississippi Legal Services Coalition
Jackson-Hinds Comprehensive Health Center
Madison-Yazoo-Leake Family Health Center
Madison County Human Resource Agency
Simpson County Human Resources Agency
Hinds County Human Resource Agency
College and Universities:
Georgia State University Foundation
Jackson State University
Mississippi Valley State University

SPECIAL EXPERTISE:

Mr. Forsythe internal and external experience in governmental audits and accounting along with his familiarity with computerized environments prepares him for this engagement.

PROFESSIONAL AFFILIATIONS:

American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
New York State Society of Certified Public Accountants
Mississippi Society of Certified Public Accountants
Institute of Certified Management Accountants
National Association of Accountants

JERRY WILLIAMS, CPA
(Georgia)
(Team Leader)

EDUCATION:

Claremont Men's College, BA in Accounting

EXPERIENCE:

Mr. Williams has over 21 years of public accounting experience in the audit and preparation of financial statements for local governments, colleges and universities and non-profit organizations, including four years as chief financial officer for a non-profit organization. Currently, Mr. Williams is the principal CPA and owner of The Williams Group.

SPECIAL EXPERTISE:

Mr. Williams past relevant employment and audit experience includes the following:

- Team leader on the audit and preparation of financial statements for the City of Atlanta for the year ended December 31, 2004.
- Subcontractor on the audit and preparation of financial statements for the City of Atlanta for the years ended December 31, 1998 through December 31, 2001.
- Subcontractor on the preparation of City of Atlanta OMB A-133 Single Audit Reports for the years ended December 31, 1998 through December 31, 2001.
- Subcontractor on the audit and preparation of financial statements for Atlanta Development Authority and its component units for the years ended December 31, 1998 through December 31, 2003.
- Subcontractor on the audit and preparation of financial statements for Atlanta-Fulton County Water Resources Commission for the years ended December 31, 1998 through December 31, 2003.
- Subcontractor on the audit and preparation of financial statements for Atlanta Empowerment Zone Corporation for the years ended December 31, 2001 and 2000.

JERRY WILLIAMS

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PROFESSIONAL
AFFILIATION:

Mr. Williams is a member of the following professional organizations:

Georgia Certified Public Accountant - License Number
008752

ELIZABETH V. WELLS, CPA

(Georgia)
Manager

EDUCATION:

Louisiana State University - Accounting

EXPERIENCE:

Elizabeth Wells is a certified public accountant with twenty-five years of experience in public accounting, governmental accounting and banking. Her nine years of public accounting experience are concentrated in local and state governmental audits and consulting services to non profit and governmental entities.

Ms. Wells has supervised financial and compliance audits of governmental entities and nonprofit organizations. Identify internal control issues. Determine and review compliance issues for Single Audits. Manage audits and reviews of not-for-profit organizations and for-profit businesses. Served as manager for the 2004 audit of the City of Atlanta's Department of Watershed Management and for the three annual audits of the Georgia Public Telecommunications Commission.

During her career Ms. Wells has served the following clients:

Atlanta Empowerment Zone Corporation
Resolution Trust Corporation (RTC)
Commercial National Bank

CERTIFICATIONS:

Georgia Certified Public Accountant -
License Number 19405
Louisiana Certified Public Accountant -
License Number 20571

RAKEBA L. DOSS
(Georgia)
Senior Accountant

EDUCATION:

Clark Atlanta University
BA in Accounting

EXPERIENCE:

RaKeba Doss began her public accounting career with Banks, Finley, White & Co. in 1999.

Ms. Doss has served clients in various industries in the public and private sector.

CLIENTS SERVED:

During her career Ms. Doss has served on the following clients:

Public and Private Sector Audit Engagements:
City of Atlanta, Georgia, Comprehensive
Annual Audit
City of Atlanta, Georgia, Employees Pension
Plan
City of East Point, Georgia, Comprehensive
Annual Audit
Pee Dee County Community Action Agency

Not-for-Profit Audit Engagements:
Gate City Day Care Nursery
GlobalTech Financial, Inc.
100 Black Men of Atlanta
100 Black Men of America

**PROFESSIONAL
AFFILIATION:**

Ms. Doss is a member of the following
professional and civic organizations:

American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

SPECIAL EXPERTISE:

Ms. Doss has experience in pension plans and not for profit organizations. She also has experience in local governments.

FRANCIS HARLEY, CPA
(Georgia)
Senior Accountant

EDUCATION:

Georgia State University, BBA

EXPERIENCE:

Francis Harley began his public accounting career with Norman H. Ross, PC in 1999. He joined Banks, Finley, White & Co. in 2003.

Mr. Harley has served clients in various industries in the public and private sector.

CLIENTS SERVED:

During his career Mr. Harley has served on the following clients:

Public and Private Sector Audit Engagements:
City of Atlanta, Comprehensive Annual Audit
Atlanta Independent Schools System - Audit
Atlanta Development Authority - Audit
Economic Development Corporation - Audit
Atlanta Empowerment Zone Corp. - Audit
Atlanta Work Force - Audit
Jackson Securities - Audit

Not-for-Profit Audit Engagements:
Atlanta Technical College - Audit
Talladega College - Audit
Omega Psi Phi Fraternity - Audit

**PROFESSIONAL
AFFILIATION:**

Mr. Harley is a member of the following professional and civic organizations:

American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

**CONTINUING
EDUCATION:**

Georgia Society of Certified Public Accountants:
Government Accounting & Auditing (2003)

Meeting Needs for Compilation Review (2003)

EARLE TURNER, CPA
(Georgia)

EDUCATION:

Keller Graduate School of Management -
Master of Accounting and Financial Management

DeVry University, BS in Accounting

The Association of Professional in Business Management
-Certified Business Manager

EXPERIENCE:

Over 28 years of solid financial management, consulting, financial accounting, tax and audit experience in public accounting, healthcare, not-for-profit and food service industry. Mr. Turner is the founding Partner of Turner & Joseph, LLC.

Planned and supervised various auditing and management consulting engagements. Assist governmental entities with the implementation of GASB 34.

Develop and direct staff in the development of operations and capital budgets.

Proficient with several automated accounting, tax, auditing and microcomputer applications.

CLIENTS SERVED:

During his career Mr. Turner has served the following clients:

City of Atlanta, Georgia
City of Cuthbert, Georgia
City of Macon, Georgia
Fulton County, Georgia
Johnson C. Smith University
Atlanta Board of Education
Southwest Hospital and Medical Center
Health Outreach Project

SPECIAL EXPERTISE:

Mr. Turner has been responsible for services provided to governmental, not-for-profit, clients. Experience includes audit and consulting engagements cities, county, board of education, university, healthcare and other not-for-profit organization.

EARLE TURNER, CPA
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PROFESSIONAL AFFILIATIONS:

American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
Greater Washington Society of CPAs
Institute of Management Accountants

Adjunct Professor of Accounting- DeVry University
Over 180 hours of continuing education programs have
been completed during the last 36 months.